

District Accredited by AdvancED/NCA Blue Ribbon Exemplary Schools

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Michigan House Tax Policy Committee c/o Representative Jeff Farrington Room N-794, Anderson Building P.O. Box 30014 Lansing, MI 48909-7514

**SUBJECT: Main Street Fairness** 

Dear Chairman Farrington and House Tax Policy Committee Members:

My name is Dr. Michael Shibler, and I have been the superintendent of the Rockford Public Schools since 1989. I am writing to you regarding HB 4202 and 4203 relative to Main Street Fairness.

For the past five years, the State of Michigan has experienced a significant reduction in revenues to support the State General Fund and School Aid Fund, including revenues provided through the state sales tax.

The Michigan Department of Treasury has estimated that the total revenue lost to internet and mail-order purchases will amount to \$872 million during fiscal year 2012-13. School districts receive 73% of the sales tax revenue as constitutionally guaranteed. According to the Michigan Department of Treasury, that equates to a loss of \$636 million that could have been used to fund education. Local governments are also impacted by this loss in revenue, as they receive 24% of sales tax revenues, which is estimated to result in a loss of over \$209 million available to local governments to fund vital resources in that same fiscal year.

I urge our lawmakers and the Governor to enact HB 4202 and 4203, to levy state sales tax against internet and mail order purchases. This would generate much-needed revenue to support public K-12 education and local units of government and would allow restoration of lost programs and employees due to budget cuts created by those lost revenues. This is not only fair to our local retail industry, but it would become a significant source of revenue for public schools and local governments. Thank you.

Sincerely,

Michael S. Shibler, Ph.D. Superintendent of Schools

MSS:mkc